

special recognition and commendation of the Vidler's 5 & 10 Store on this historic Anniversary. We all wish them continued success and prosperity.

RURAL LETTER CARRIERS

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 2000

Mr. SHAW. Mr. Speaker, the U.S. Postal Service links together cities and towns, large and small, across America through delivery of the mail. Since our nation's founding, mail delivery has been especially important to rural America, places that were at first a long walk away, then a long horse ride, and even for years a long automobile ride from the nearest downtown of a major city. The Internet today has helped reduce the distance between cities, and even countries, but mail delivery continues to be an important function for all Americans.

Most Americans, probably, are unaware that for decades rural letter carriers have used their own transportation to deliver the mail. This includes rural letter carriers who today drive their own vehicles in good weather and bad, in all seasons, in locations that can range from a canyon bottom to mountain top, ocean view to bayou. Rural letter carriers drive over 3 million miles daily and serve 24 million American families on over 66,000 rural and suburban routes. The mission of rural letter carriers has changed little over the years, but the type of mail they deliver has changed substantially—increasing to over 200 billion pieces a year. And although everyone seems to be communicating by email these days, the Postal Service is delivering more letters than at any time in our nation's history. During the next decade, however, we know that will change.

Electronic communication is expected to accelerate even faster than it has in the last five years. Some of what Americans send by mail today will be sent online. According to the General Accounting Office [GAO], that will include many bills and payments. In its study, U.S. Postal Service: Challenges to Sustaining Performance Improvements Remain Formidable on the Brink of the 21st Century, dated October 21, 1999, the GAO reports that the Postal Service's core business—letter mail—will decline substantially. As a result, the revenue the Postal Service collects from delivering First-Class letters also will decline.

While the Internet will eventually reduce the amount of letter mail rural letter carriers deliver, the Internet will present some new opportunities for delivering parcels. Rural letter carriers have for decades delivered the packages we order from catalogs, and now they deliver dozens of parcels every week that were ordered online. For some rural and suburban Americans the Postal Service still remains the only delivery service of choice. Today, the Postal Service has about 33 percent of the parcel business. However, if the Postal Service is as successful as it hopes in attracting more parcels, that could create a problem for rural carriers. Most items ordered

by mail are shipped in boxes that, once filled with packing materials, can be bulky—so bulky, in fact, that many rural letter carriers already see the need for larger delivery vehicles.

In exchange for using their own vehicles, rural letter carriers are reimbursed for their vehicle expense by the Postal Service through the Equipment Maintenance Allowance [EMA].

Congress recognized this unique situation in tax legislation as far back as 1988. That year Congress intended to exempt EMA from taxation through a specific provision for rural letter carriers in the Technical and Miscellaneous Revenue Act of 1988 [TAMRA]. This provision allowed rural mail carriers to compute their vehicle expense deduction based on 150 percent of the standard mileage rate for their business mileage use. Congress passed this law because using a personal vehicle to deliver the U.S. Mail is not typical vehicle use. Also, these vehicles have little resale value because of their high mileage and most are outfitted for right-handed driving.

As an alternative, rural letter carrier taxpayers could elect to use the actual expense method (business portion of actual operation and maintenance of the vehicle, plus depreciation). If the EMA exceeded the actual vehicle expense deductions, the excess was subject to tax. If EMA fell short of the actual vehicle expenses, a deduction was allowed only to the extent that the sum of the shortfall and all other miscellaneous itemized deductions exceeded two percent of the taxpayer's adjusted gross income.

The Taxpayers Relief Act [TRA] of 1997 further simplified the taxation of rural letter carriers. TRA provides that the EMA reimbursement is not reported as taxable income. That simplified taxes for approximately 120,000 taxpayers, but the provision eliminated the option of filing the actual expense method for employee business vehicle expenses. The lack of this option, combined with the effect the Internet will have on mail delivery, specifically on rural letter carriers and their vehicles, is a problem we must address.

Expecting its carriers to deliver more packages because of the Internet, the Postal Service already is encouraging rural letter carriers to purchase larger right-hand drive vehicles, such as sports utility vehicles (SUV). Large SUVs can carry more parcels, but also are much more expensive to operate than traditional vehicles—especially with today's higher gasoline prices. So without the ability to use the actual expense method and depreciation, rural carriers must use their pay to cover vehicle expenses. Additionally, the Postal Service has placed 11,000 postal vehicles on rural routes, which means those carriers receive no EMA.

All these changes combined have created a situation contrary to the historical congressional intent of using reimbursement to fund the government service of delivering mail, and also has created an inequitable tax situation for rural letter carriers. If actual business expenses exceed the EMA, a deduction for those expenses should be allowed. I believe we must correct this inequity, and so I am introducing a bill that would reinstate the deduction for a rural letter carrier to claim the actual cost of the business use of a vehicle in excess

of the EMA reimbursement as a miscellaneous itemized deduction.

In the next few years, more and more Americans will use the Internet to get their news and information, and perhaps one day to receive and pay their bills. But mail and parcel delivery by the United States Postal Service will remain a necessity for all Americans—especially those in rural and suburban parts of the nation. Therefore, I encourage my colleagues to support this bill and ensure fair taxation for rural letter carriers.

CONFERENCE ON THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 2000

Mr. DINGELL. Mr. Speaker, as Ranking Member of the Committee on Commerce, and senior House Democrat conferee on the conference committee to resolve differences between S. 761, the Electronic Signatures in Global and National Commerce Act, and the amendments of the House to the bill, I rise to clarify a matter involving the legislative history of this legislation. My remarks are an extension of remarks that I made during House consideration of the conference report to accompany S. 761 (June 14, 2000, CONGRESSIONAL RECORD at H4357–H4359). Mr. MARKEY, the other House Democrat conferee on this matter, has authorized me to indicate that he concurs in these remarks.

Rule XXII, clause 7(d) of the Rules of the House provide that each conference report must be accompanied by a joint explanatory statement prepared jointly by the managers on the part of the House and the managers on the part of the Senate, and further that the joint explanatory statement shall be sufficiently detailed and explicit to inform the House of the effects of the report on the matters committed to conference. This is pivotal in guiding affected parties and the courts in interpreting the laws that we enact.

Late in the conference negotiations, we reluctantly agreed to a request from the staff of the chairman of the conference committee that we expedite filing and consideration of the conference agreement by not extending the negotiations to include drafting and reaching agreement on a statement of managers. Accordingly, the conference report did not and does not include the required joint explanatory statement of managers. It only contains the agreed-upon legislative language. The rule by which the conference report was considered by the House waived any point of order regarding this deficiency.

Given this chain of events and what we thought was a binding gentlemen's agreement, I was dismayed to discover that material had been inserted in both the House and Senate debate (June 14, 2000, CONGRESSIONAL RECORD at H4352–H4357 as an extension of Representative BLILEY's floor remarks and June 16, 2000, CONGRESSIONAL RECORD at S5283–S5288 as an extension of Senator ABRAHAM's remarks) in the fortmat of a joint